



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: APPROP DP 7-4-0-2 | 3rd Read 51-8-1-0

Senate: 3rd Read 21-7-2-0

HB 2872: transportation; 2022-2023 (Substituted for SB 1739)

Sponsor: Representative Cobb (with permission of Committee on Rules), LD 5
Transmitted to the Governor

Overview

Contains provisions relating to transportation needed to implement the FY 2023 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

The Arizona Supreme Court (ASC)

1. Allows the ASC to lease or purchase motor vehicles for the use of ASC personnel in conducting business activities furthering ASC administrative supervision over all courts in the state, including the provision of adult and juvenile probation services. (Sec. 1)
2. Exempts the ASC from state and political subdivision motor vehicle markings laws. (Sec. 1)
3. Requires the ASC to recover all costs for fleet operation services, specifying that the ASC must pay the cost of fleet operation services and replacements at a similar rate to the one established by the Director of the Arizona Department of Transportation (ADOT) for fleet operation services for the state motor fleet, including a separate vehicle replacement rate for motor vehicle replacements. (Sec. 1)
4. States the ASC must deposit monies received for vehicle replacement and fleet operation services into the State Court Fleet Operations and Replacement Fund. (Sec. 1)
5. Establishes The State Court Fleet Operations and Replacement Fund which will be administered by the ASC and consist of legislative appropriations, proceeds from the sales of ASC's surplus motor vehicles and monies received for fleet operations and vehicle replacement. (Sec. 1)
6. Designates The State Court Fleet Operations and Replacement Fund as a special state fund and declares that monies in the State Court Fleet Operations and Replacement Fund:
 - a) Do not revert to the state General Fund (GF);
 - b) Are continuously appropriated; and
 - c) Are exempt from lapsing. (Sec. 1)
7. Contains a retroactivity clause of July 1, 2021. (Sec. 7)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

Arizona Game and Fish Department (AZGFD)

8. Creates the Arizona Game and Fish Department Fleet Vehicle Replacement Fund to acquire and replace AZGFD vehicles and equipment which will be administered by AZGFD and consist of revenues received from the fees charged to AZGFD for having vehicles in the State Motor Vehicle Fleet. (Sec. 2)
9. States that monies in the Arizona Game and Fish Department Fleet Vehicle Replacement Fund are continuously appropriated. (Sec. 2)
10. Establishes the Arizona Game and Fish Department Fleet Operations Fund to maintain and operate the State Motor Vehicle Fleet which will be administered by the AZGFD and consist of revenues received from the fees charged to AZGFD for having vehicles in the State Motor Fleet. (Sec. 2)
11. Stipulates that monies in the Arizona Game and Fish Department Fleet Operations Fund will be continuously appropriated. (Sec. 2)

The State Match Advantage for Rural Transportation Fund

12. Creates the State Match Advantage for Rural Transportation Fund (Fund). (Sec. 3)
13. States that ADOT will administer the Fund and that monies in the Fund are continuously appropriated and will consist of:
 - a) Monies appropriated by the Legislature; and
 - b) Nonfederal gifts, donations, grants or other amounts received from any public or private source for transportation projects. (Sec. 3)
14. Requires that monies in the fund will only be used for:
 - a) Reimbursing up to 50% of the costs associated with developing and submitting an application for a federal grant;
 - b) A match for a federal grant; and
 - c) Reimbursing design and other engineering services expenditures that meet federal standards for projects eligible for a federal grant. (Sec. 3)
15. Declares that monies in the Fund must be allocated as follows:
 - a) 20% to counties with a population of 100,000 people or more for matching federal grants or reimbursing design and other engineering expenditures that meet federal standards for projects eligible for federal grants;
 - b) 20% to counties with a population of less than 100,000 people for all permitted uses of monies in the Fund;
 - c) 20% to municipalities with a population of 10,000 people or more for matching federal grants or reimbursing design and other engineering expenditures that meet federal standards for projects eligible for federal grants;
 - d) 20% to municipalities with a population of less than 10,000 people for all permitted uses of monies in the Fund; and
 - e) 20% to ADOT for matching federal grants or reimbursing design and other engineering expenditures that meet federal standards for projects eligible for federal grants. (Sec. 3)
16. Specifies that:
 - a) A county with a population of more than 1 million people is ineligible to receive Fund monies;
 - b) A municipality entirely located in an urbanized area of a county with a population of more than 1 million people is not eligible for Fund monies; and

- c) ADOT may not use its allocated monies from the Fund for projects located in an urbanized area of a county with a population of more than 1 million people. (Sec. 3)
- 17. Outlines rules and procedures for placing and processing applications for ADOT and political subdivisions of this state. (Sec. 3)
- 18. Allows the Transportation Board (Board) to give preference to applicants that can demonstrate:
 - a) The percentage of matching monies provided by the applicant; or
 - b) The extent that the applicant will partner with other entities to deliver the project. (Sec. 3)
- 19. Authorizes the Board to approve, deny, modify or request more information on applications and requires ADOT to enter into an intergovernmental agreement with an applicant regarding expenditures and reimbursements if the Board approves an award. (Sec. 3)
- 20. States that the Board must approve ADOT's request to use their allocated monies from the Fund for matching federal grants or reimbursing design and other engineering expenditures that meet federal standards for projects eligible for federal grants. (Sec. 3)
- 21. Allows ADOT to use up to 1% of their allocated portion of the fund to administer the fund. (Sec. 3)
- 22. Requires an applicant who has received an award as a match to a federal grant to notify ADOT within 15 days after receiving notice that the applicant has not secured the federal grant. States that after receiving the notice ADOT must make the award monies available for other applications. (Sec. 3)
- 23. States that on notice from ADOT, the State Treasurer must invest and divest monies from the Fund and requires monies earned from investments to be credited to the Fund. (Sec. 3)
- 24. Enables ADOT to establish subaccounts in the Fund that ADOT determines is necessary to carry out the purposes of the Fund. (Sec. 3)
- 25. Restricts the board from approving expenditures from the Fund unless the expenditure is made in accordance with applicable law. (Sec. 3)
- 26. Defines terms. (Sec. 3)

Miscellaneous

- 27. Exempts ADOT from participation in the State Motor Vehicle Fleet. (Sec. 4)
- 28. Renames the [Transportation Department Equipment Fund](#) to the ADOT Fleet Operations Fund. (Sec. 6)